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23 JUL 1981

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

FROM: John H. Stein
Deputy Director for Operations

SUBJECT: Memorandum of Understanding Between SECDEF
and DCI on DoD Clandestine Humint Intelligence
Organization

REFERENCE: DoD Memorandum of 6 July 1981, Same Subject

1. This memorandum forwards a proposed Memorandum of Understanding (MOU) between the DCI and the Secretary of Defense on the relationship between the DCI and CIA, and the new Department of Defense Clandestine Humint Organization. This MOU has been informally coordinated with DIA, this Directorate and OTS. We have been advised by DIA that Secretary Weinberger will ask you to sign the MOU when you meet with him on Friday, July 24.

2. Background: The Department of Defense believes that it needs a new, high level clandestine Humint organization to respond to the priority intelligence requirements of the Department including its rapid deployment and counterterrorist force. The new organization will be supervised by the Director of DIA but compartmented from the other components of DIA. It is intended to complement the collection efforts of CIA and the military service Humint elements. In addition, it will provide intelligence support for sensitive projects directed by the Joint Chiefs of Staff or higher authorities. We have been assured that this organization will not conduct special activities, but the DCI may wish to confirm this.

3. Coordination with CIA will be close and continuing. Such coordination will be conducted under the same rules,

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including the DCIDs and the Executive Order, as now apply to military proposals for clandestine operations. We are satisfied that the present system will be sufficient to prevent uncoordinated clandestine operations.

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4. The new organization will require considerable support from the Operations Directorate, as well as from the Office of Technical Services and the Office of Training. The personnel goal of the organization is [redacted] two years. We believe that CIA resources are sufficient to manage this support but will be stretched during this period.

5. The State Department has not been consulted on this proposal. Defense prefers to have a signed DoD/DCI agreement before this matter is raised with the Secretary of State. The manner in which this might be accomplished should be discussed by you with Secretary Weinberger at your meeting.

6. I should like to make a matter of record that this Directorate is not convinced that the DoD Clandestine Humint Collection Organization is necessary. [redacted]

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[redacted]

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[redacted]

John H. Stein

Attachment a/s

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[redacted]

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MEMORANDUM OF UNDERSTANDING

SUBJECT: Memorandum of Understanding between SECDEF and DCI

REFERENCES: A. Executive Order 12036, dated 26 January 1978

B. National Security Council Intelligence Directive No. 5 (NSCID No. 5), "U. S. Espionage and Counterintelligence Activities Abroad," dated 17 February 1972

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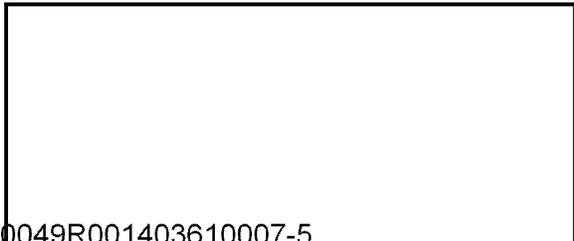
F. Department of Defense Directive S-5105.29, "Intelligence Activities Utilizing Human Sources," dated 1 December 1978

1. Purpose: To define the relationship between the DCI and the new Department of Defense clandestine HUMINT organization to be established by the Secretary of Defense.

2. Mission of the New Organization: The new Defense organization is urgently needed to address critical information gaps in the DoD Key Intelligence Requirements, and will complement the collection efforts of the CIA and Service HUMINT elements. Its mission will be to collect military intelligence information by means of clandestine HUMINT activities to meet Defense Department needs of the highest priority, and to provide non-attributable intelligence support for sensitive

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projects directed by the Joint Chiefs of Staff or higher authorities. In order to insure the maximum compartmentation and security for its sensitive operations, it will operate as a separate Defense agency, outside the structure of the Defense Intelligence Agency and the Office of the Joint Chiefs of Staff, but under the operational control of the Director, DIA.

25X1 3. [redacted] Focus of the Organization: In addition to its
 25X1 efforts to reduce the intelligence gaps on traditional hard
 25X1 military targets, the organization will focus on [redacted]
 [redacted] support of the Rapid
 25X1 Deployment and Counter-Terrorist Joint Task Forces. Through
 these activities, the organization will also develop a cadre for
 wartime expansion.

25X1 4. [redacted] Coordination with the CIA: Close coordination
 with the CIA will be mandatory as the new Defense organization
 is established and operations are initiated. Clandestine
 Intelligence Operational Proposals (CIOPs) will be prepared,
 outlining the proposed use of human sources to accomplish
 specific clandestine foreign intelligence collection or support
 tasks. These CIOPs will be coordinated with the DCI in ac-
 cordance with provisions of referenced documents. Prior to
 formal coordination with CIA, internal DoD coordination as well
 as coordination with the theater commands as appropriate will be
 accomplished and certified to CIA.

a. The Director of the new Defense organization and the Deputy Director for Operations, CIA, or their designated representatives, will be the primary points-of-contact between the two organizations. CIA will designate two senior DO officers to facilitate operational planning and coordination. CIA will provide support for two senior representatives of the DoD organization at CIA Headquarters, if it is determined after an experience factor that it is necessary. CIA will also provide technical and training support to the DoD organization on a reimbursable basis, as well as administrative assistance in handling funds so as to enhance operational security. DoD will designate a senior DoD officer to coordinate all requests for technical and other support.

25X1 b. The DoD clandestine organization is authorized and
 25X1 encouraged to informally coordinate its CIOPs during the ex-
 ploratory stages of operational activities prior to the formal
 submission of CIOPs. Such informal coordination will include
 the operational activities requiring DCI coordination which are
 conducted pursuant to approved and coordinated CIOPs, in ac-
 cordance with provisions of referenced documents. In addition,
 the new Defense organization will adhere to the requirements
 relating to the registration of its sources [redacted]
 [redacted] All liaison relationships will be conducted in
 accordance with Reference D.

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c. In those instances where DoD has forwarded a CIOP to the designated representative of the DCI and the DCI does not coordinate the proposal, the CIOP will be returned to the Director, DIA. After reviewing the proposal and the reasons for non-coordination, Director, DIA may provide recommendations and additional details for resolution of the non-coordination with the DCI, in accordance with paragraph 5b. of Reference C document.

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5. Implementation and Review: This Memorandum of Understanding (MOU) does not alter or otherwise modify any of the authorities or responsibilities of the DCI or the Central Intelligence Agency contained in referenced documents. The MOU is effective upon establishment of the DoD Clandestine HUMINT Organization and approval by both the Secretary of Defense and the Director of Central Intelligence. Negotiation for change of this agreement may be initiated at the request of either party. Any resultant modification or rescission of this Memorandum of Understanding must be approved by both SECDEF and the DCI.

CASPAR W. WEINBERGER
Secretary of Defense

WILLIAM J. CASEY
Director of Central Intelligence

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Memorandum of Understanding

FROM: 25X1

EXTENSION
25X1

NO.

C/PCS/DCIO

[Redacted]

DATE

23 July 1981

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1.	AC/PCS		✓	JD
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3.	DDO Registry			
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5.	DDO			✓
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7.	Executive Registry	23 Jul 81		P
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for signature